

# Internal Audit of the Afghanistan Country Office

December 2019

Office of Internal Audit  
and Investigations



Report 2019/15

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## Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Afghanistan Country Office. The objective of the audit was to provide reasonable assurance that there were adequate and effective governance, risk management and control processes over key activities of the office. The audit covered the period from January 2018 to June 2019; the audit team visited the office from 16 June to 9 July 2019.

### The country programme

Afghanistan has a population of 33 million, of which 42 percent are aged under 15 years. As of 31 October 2018, only 219 of the country's 407 districts were under government control. A further 50 districts were under the control of other parties and the remaining 138 districts, about 33.9 percent, were being contested by parties to the conflict.

Protracted conflict across the country has hindered further achievements in the areas of health, nutrition, child protection, education, water, hygiene and sanitation, and social inclusion. Routine immunization is quite low, with one in two children still unimmunized. Globally, Afghanistan has one of the worst rates of coverage of maternal and child health services and one of the highest stunting rates in the world (41 percent). There has been an upsurge in polio and the country office estimates that appropriately 3.7 million children are out of school.

Under the 2015-2019 country programme, the Afghanistan Country Office has mobilized resources and engaged in a wide range of partnerships with Government entities and nongovernment organizations and vendors to implement appropriate activities in six main components: *Health*; *Nutrition*; *Child protection*; *Education*; *Water, hygiene and sanitation (WASH)*; and *Social inclusion*. Amongst others, the office has procured supplies such as vaccines and related equipment, supplements, and hygiene items and, through partners: distributed supplies; immunized children against diseases such as polio; provided hygiene training and supplies; and provided equipped community-based facilities with teaching and support personnel. The budget for these six components during the period covered by the audit was US\$ \$172.95 million – *Health* (34 percent), *Education* (23 percent), *Nutrition* (15 percent), *WASH* (percent 11 percent), *Child protection* (10 percent); and *Social inclusion* (7 percent).

There is also a cross-sectoral component with a 2018 budget of US\$ \$26.7million for support functions, including planning and coordination, logistics, administration and finance, fundraising and outreach.

The office is in the capital, Kabul, with five zone offices; there are also six sub-zone offices, commonly called outposts. At the time of the audit, there were 377 approved posts, of which 65 were for international professionals, 146 for national officers and 166 for general service staff; 43 percent of the positions were in field locations.

## Results of the audit and action agreed

The audit noted several areas where governance, risk management and control processes were functioning well. The office prioritized four flagship results and successfully combined HACT<sup>1</sup> assurance activities with other types of programme monitoring activities to enhance the effectiveness and efficiency of these activities. The office was managing its human resources, supplies and inventory, and programme planning well. It generally submitted reports to donors on time.

However, the audit also identified several areas below where further action was needed to better manage risks to UNICEF's activities:

- A Communication for Development (C4D) strategy was lacking, potentially limiting the office's ability to effectively advocate for changing negative social norms.
- There was a costed evaluation plan, but this was not fully implemented.
- There was no finalized action plan for Sexual Exploitation and Abuse (SEA) prevention and case management.
- The office did not check some vendors and partners against the UN Consolidated Sanctions List before contracting them.
- Sensitive and personally identifiable data and information in servers and computers were not adequately protected.
- The office's security planning was inadequate.

In discussion with the audit team, the country office and regional office have agreed to take a number of measures to address these risks. The office will implement the following actions as a high priority — that is, to address risks that require immediate management attention:

- Conduct social research, strengthen C4D messaging, and measure/improve the C4D strategy.
- Analyze gaps in knowledge on the needs of the children and prepare a plan to fill them.
- Prepare a PSEA action plan and integrate related outputs and activities into workplans.
- Screen prospective partners and vendors against the UN Consolidated Sanctions List.
- Improve IT security, and migrate sensitive data on beneficiaries to corporate systems.
- Prepare an office security improvement plan, and implement a centralized monitoring tool.

## Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the country office's governance, risk management and internal controls were generally established and functioning during the period under audit. The Afghanistan Country Office, the Regional Office for South Asia (ROSA) and OIAI intend to work together to monitor implementation of the measures that have been agreed.

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<sup>1</sup> HACT is the Harmonized Approach to Cash Transfers, a risk-based framework under which offices assess the risk attached to a partner and determine the most suitable type of cash transfer to be used, and the amount and frequency of assurance activities. The operation of HACT in the Afghanistan office is discussed later in the report.

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## Audit objectives

The objective of the audit was to provide reasonable assurance that there were adequate and effective governance, risk management and control processes to ensure: achievement of the office's objectives; reliability and integrity of financial and operational reporting; effectiveness; efficiency of operations and economic acquisition of resources; safeguarding of assets; and compliance with relevant policies. In addition to this assurance service, the audit report identifies, as appropriate, noteworthy practices that merit sharing with other UNICEF offices.

This report presents the more important risks and issues found by the audit and the measures agreed with the client to address them. It does not include lower-level risks, which have been communicated to the client in the process of the audit.

## Audit observations

### Communication for Development (C4D)

Communication for Development (C4D) is a key mechanism for promotion and effecting behavioural and social change across sectors in development and humanitarian contexts. C4D is especially important in Afghanistan, where there is resistance to UNICEF-supported activities such as immunization and education for girls.

The audit team noted good community engagement practices related to the Rural Sanitation and Rural Water Supply Projects and mobile health teams. There were also community networks set up or used by the office. These included community health workers, a sanitation network, nutrition counsellors, the community-based nutrition programme network, the Child Protection Action Network, shuras and the Polio Immunization Communications Network. However, the office had not drawn up a C4D strategy to ensure it effectively utilizes existing platforms and community networks. Developing a C4D strategy requires research to identify norms, beliefs and behaviours that may impede effective implementation of UNICEF-supported activities. However, the audit team noted the need for further social research.

Because of the absence of a C4D strategy, the engagements of programme sections with community platforms and networks were fragmented and therefore potentially ineffective. Additionally, while the office has engaged approximately 25,000 community members (including the 9,708 extenders referred to above); it has not gathered and using feedback from them effectively. Neither was it obtaining, and making effective use of, feedback from the 310 National Technical Assistants, who are Government employees assisting in the planning and implementation of UNICEF-supported programmes and paid by UNICEF; or about 7,000 teachers whose salaries were being paid by the office.

Further work was required with regards to integrating C4D into regular programming by, for example, clearly outlining how C4D is embedded in the Country Programme result structure and ensuring that the programme outputs have C4D components, wherever relevant.

The office also lacked a way to measure the behavioural changes brought about by C4D messaging; for example, the office did not set up any key performance indicators in the C4D area. Last but not the least, it was not exploiting SMS messaging for C4D.

**Agreed action 1 (high priority):** The office agrees to:

- I. Develop a C4D strategy, conduct further social research, and make effective use of behavioural data from the communities, to strengthen C4D messaging;
- II. Integrate cross-cutting approaches across programme sectors and community networks to collect feedback and promote behavioural and social change.
- III. By monitoring key performance indicators, measure and improve the C4D strategy and messaging, using SMS where applicable.

Responsible staff members: C4D Manager, Section Chiefs and SPEAR Chief

Date by which action will be taken: August 2020

## Evaluation

The office had an integrated monitoring, evaluation and research plan (IMERP) for 2018-2019. However, other than the global evaluation conducted by NYHQ with Afghanistan used as a case study, there were no evaluations completed from January 2018 to date of this audit. The situation analysis of children and women (SitAn) in the country was not updated as planned. It was last updated in 2014. This was despite the fact that the country programme was extended by two years until December 2021. The SitAn is normally done by a country office during a programme cycle to inform the one that follows. The SitAn is usually updated annually.

The audit team also noted that three evaluations, three researches and 13 studies (including an update to the SitAn) had been dropped from the IMERP and there had been no discussions within the programme sections to identify relevant gaps in knowledge and evidence arising from these cancellations. While the office had a dedicated unit (Social Policy, Evaluations, Analytics and Research, or SPEAR) with the required expertise to conduct to implement the IMERP, it attributed the non-implementation of IMERP to the need to give priority to programme implementation. The audit team noted that the programme sections had themselves commissioned some studies without input from SPEAR.

Finally, the audit team noted that about a third of the agreed recommendations from the completed evaluations were still open as of June 2019.

**Agreed action 2 (high priority):** The office agrees to:

- i. Analyze gaps in knowledge and the related evidence requirements, and prepare a prioritized, costed IMERP to fill them.
- ii. Improve the timeliness of the implementation of agreed recommendations from evaluations.

Responsible staff members: Chief/OIC SPEAR and Research & Evaluation Specialist

Date by which action will be taken: December 2019

### Protection from sexual exploitation and abuse (PSEA)

UNICEF policy states that sexual exploitation and abuse (SEA) of crisis-affected populations committed by individuals who provide aid constitutes the most serious breach of accountability by the humanitarian sector. All UNICEF personnel have a duty to report to UNICEF senior management any allegations of sexual exploitation and abuse of children by UN personnel, or by foreign military personnel associated with a UN mandate.

The office had appointed two interim PSEA focal points. It also has a PSEA workplan for 2019 and included the revised PSEA and child safeguarding clauses in the new PCAs and contracts. Almost all staff (99 percent) had completed the mandatory PSEA online training. The office had also participated actively in the inter-agency PSEA task force. The establishment of a PSEA working group by the Representative was pending.

However, the audit team noted the following.

**SEA reporting mechanism:** The office said that no SEA cases had been reported in 2018 and only one case was reported in 2019 as of June. The audit team noted that staff were not fully aware of either the SEA notification mechanism or the SEA Significant Incident Report (SIR) that should be used to report SEA allegations.

**SEA assistance:** UNICEF is committed to ensuring every survivor of SEA and sexual harassment (SH) has access to quality, survivor-centred assistance and support in line with their needs, including medical care, psychosocial support, legal assistance, and reintegration support. The office had not yet established a specific SEA prevention and case-management action plan. The office said that an inter-agency mechanism was being discussed that would later inform the office's action for SEA survivors' assistance.

**Training of extenders:** 'Extenders' are personnel that the Afghanistan Country Office deploys through third parties to implement UNICEF programming activities at the most local level possible, particularly in inaccessible communities and areas not under Government control. As of May 2019, there were 9,708 extenders.

According to the office's standard operating procedures (SOPs) for use of extenders, all UNICEF ethical principles and values apply to them. The long-term arrangement with third-party stipulated that upon recruitment, all extenders would attend an induction session organized by UNICEF programme sections/field offices that would include, among other topics, the code of conduct and ethical behaviour, and the related reporting tools and systems. However, the audit team's discussions with some extenders found that they were not aware of the organization's ethics requirements and of the mechanisms to address misconduct or SEA cases. The office had a detailed induction programme for new staff members but not a specific one for the extenders.

**Agreed action 3 (high priority):** The office agrees to:

- i. Ensure that all staff are aware of Sexual Exploitation and Abuse Significant Incident Reports process and related notification alert.
- ii. Prepare a PSEA action plan and ensure that related outputs and activities are integrated into relevant workplans so as to clarify responsibility, identify funding sources and assist monitoring.
- iii. Implement an induction programme for extenders, including a briefing on the organizational ethical requirements and the related reporting mechanisms.

Responsible staff members: PSEA focal points and Deputy Representative

Date by which action will be taken: i, December 2019; ii, the office reported that as of September 2019 this action had been implemented; and iii, January 2020

### Screening against sanctions list

UNICEF offices are required to verify, without exception, that any NGOs, vendors and individuals contracted are not on the UN Security Council's Consolidated Sanctions List. The latter is a list of those subject to international sanctions because of their membership of, or connection to, known terrorist organizations.

The audit team reviewed documentation for a sample of six NGO partnerships and noted that in all the cases, the office did not verify as to whether the partners were on the UN sanctions list. Further, the office had extended 12 ongoing LTAs and was utilizing and paying Government-provided personnel called National Technical Assistants without first verifying as to whether they were on the sanctions list. The audit team was told that the Government carried out its own background screening, but the UNICEF office did not have information about who was screened and whether UN sanctions list was used in screening.

**Agreed action 4 (high priority):** The office agrees to screen all NGOs, vendors, and National Technical Assistants against (NTAs) using the UN Sanctions List or obtain adequate assurance that NTAs have been screened against the list prior to agreeing to utilize them on UNICEF-supported activities.

Responsible staff members: Chief, Planning, Monitoring and Resources, Deputy Representative – Operations, Contracts Specialist and Supply Manager

Date by which action will be taken: The office has reported that as of September 2019 this action has been implemented.

### Information security

At most locations throughout the country, the UNICEF Afghanistan Country Office was sharing premises with other UN agencies. These premises were frequented by partners and service providers, so physical security alone was not sufficient for preventing unauthorized access to the office's network. The audit team reviewed the office's information security and noted the following.



**Protection of sensitive information:** The office requires appropriate steps to protect data and systems from malicious attacks or theft. The audit noted that the office maintains a plethora of sensitive and personally identifiable information of staff, beneficiaries, vendors, and partners, etc. However, the audit team noted that while the zone offices had firewalls, the other six outposts (field offices reporting to the zone offices) did not. Firewalls are used to protect file servers and office computers from malicious attacks. There was thus an elevated risk of unauthorized access to sensitive and personally identifiable information.

The office was aware of the risk to its networks. However, it was not regularly generating and reviewing reports from systems such as Dynamic Host Configuration Protocol to detect unauthorized devices that access the internal (wired) network. The audit had the ICT specialist run a report for the first time and noted an unofficial personal computer connected to the network. The Symantec (antivirus) scan report was also not being run to verify that all the office computers were adequately protected. Further, an IT peer review by the regional offices in 2017 had recommended segmenting the network to increase efficiency and security; however, this had not been done as of 30 June 2019.

The audit team also noted that programme staff were storing sensitive information in spreadsheets on office laptops that were not adequately secure, instead of storing it in the corporate systems. The information was also being shared by way of unencrypted email messages from the zone offices and outposts.

**Disaster recovery plan (DRP) tests:** UNICEF offices should update their DRP and test them at least once annually. Though the office had updated its DRPs in September 2018, it had not tested them. Controlled stress-testing of the DRPs and ICT infrastructure is essential to ensure effective and efficient restoration and resumption of service after a disaster and/or a major security incident.

**Agreed action 5 (high priority):** The office agrees to:

- i. Review the relevant system reports regularly, and investigate any non-standard systems and devices connected to the network.
- ii. Segment the network to increase efficiency and security.
- iii. Take necessary steps to protect sensitive data and systems from malicious attacks or theft.
- iv. Conduct periodic simulation tests of the disaster recovery plan, to ensure continuous connectivity and/or quick recovery during a disaster.
- v. Store sensitive information on corporate systems.

Responsible staff members: ICT Manager

Date by which action will be taken: ii, iii and v, December 2019; i and iv, the office has reported that as of September 2019 these actions had been implemented.

## Safety and security

Afghanistan is officially considered as a country in armed conflict, with much of the country not being controlled by the Government. Between January and December 2018, the United Nations

Assistance Mission for Afghanistan (UNAMA) recorded 3,804 civilian casualties and attributed the figures to various parties to the conflict. The audit team noted the following.

**Security risk assessment:** The country was divided into nine security areas. The UN Department of Safety and Security (UNDSS) had conducted the latest Security Risk Management (SRM) assessment of these areas between September 2018 and May 2019. The security risk rating varied between moderate and high. The areas with high security risk were Kandahar, Jalalabad and Kunduz, where UNICEF had field offices.

A Compound Security Risk Assessment and Survey (CSRAS) had been carried out in 11 locations with UNICEF staff presence to assess compliance with approved SRMs. Two of these were outdated at the time of the audit. The office said that these CSRASs had not been updated because of competing priorities. Without a current CSRAS, the office was unable to ensure that the staff at these locations were adequately protected.

**Security improvement plan:** The office had no consolidated action plan to implement the recommendations from the completed CSRASs and security peer reviews. Such a plan should have budget estimates, responsible staff and timelines. The office said that implementation of the safety and security recommendations was monitored during field-visits as deemed appropriate by the team. There was thus an elevated risk that security needs may not be promptly and effectively addressed.

**Security staff oversight:** There were five Local Security Associates (LSAs) assigned to field locations. Security Focal Points (SFP) were designated in the outposts with no LSAs. The Country Security Advisor (CSA) had no input in the workplans of the zonal LSAs and SFPs, which were discussed only with the respective Chief of Zone Office. However, at the end of the reporting period, the CSA was requested to provide feedback on their performance even though he had not been involved in the setting of their expected deliverables.

**Agreed action 6 (high priority):** The office agrees to:

- i. Carry out timely Compound Security Risk Assessment and Surveys to assess compliance with latest approved Security Risk Management requirement.
- ii. Consolidate the agreed recommendations from the security assessments/surveys and peer reviews into an office security improvement plan and implement a centralized monitoring tool that will provide an overview on the status of implementation.
- iii. Ensure that the Country Security Advisor is involved in the workplans and in the setting of deliverables for the security staff and focal points assigned in the field offices.

Responsible staff members: Country Field Security Adviser

Date by which action will be taken: i, October 2019; ii and iii, the office reported that as of September 2019 these actions had been implemented.

## Humanitarian programming

The audit team reviewed aspects of the office's emergency programming. It noted the following.

**Links to development programming:** In 2018 UNICEF's Evaluation Office produced the *Evaluation of UNICEF's coverage and quality in complex humanitarian situations*, an evaluation conducted by UNICEF Evaluation Office in 2018 that covered a number of countries including Afghanistan. The evaluation noted that, as humanitarian response evolves, it is necessary to strengthen connectedness and coherence between humanitarian action and development programming. There is a need for strengthening linkages between short-term humanitarian action and long-term development programming where this is possible. The audit team noted that the office did not always make these links in a way that could be clearly demonstrated.

In an emergency, there is a need to increase the long-term resilience of the affected population. UNICEF's policy is that country offices in humanitarian situations should plan for a transition out of emergency and into development programming, as various internal and external reviews over time have shown this to have better long-term outcomes for children.<sup>2</sup> A humanitarian response will therefore eventually demand a shift from humanitarian to development programming. This demands targets that link to longer-term resilience for both sector-specific objectives and high-level cross-sector goals. For example, the revised education curriculum that the office had helped develop demonstrated potential for use in both contexts; it also included cross-curriculum themes that provided space for learning beyond subject boundaries.

However, the office had not documented all such examples and used them to ensure this linkage in areas where this had not yet happened. The new UNICEF procedure on humanitarian and development programming states that monitoring of the progress in linking the two can enhance the performance of programmes in conflict-affected situations. UNICEF's programme quality evaluations usually investigate this linkage in a systematic manner.

**Accountability to Affected Population (AAP):**<sup>3</sup> The evaluation of *UNICEF's coverage and quality in complex humanitarian situations evaluation* also noted the need to develop strategies and actions for AAP; however, this had not been completed as of June 2019. The need for AAP was also highlighted in the 2018 Nutrition Cluster Report (the office leads the Nutrition cluster, among others).

A key part of AAP is the use of community-based feedback mechanisms, which help an office assess the effectiveness of its interventions at the point of delivery. This is discussed in the observation, *Communication for Development (C4D)*.

**Resilience:** A UN interagency concept note on shock-responsive approaches, prepared by the UN in Afghanistan's Bridging Humanitarian and Development Responses Working Group, highlighted the urgent need for the establishment of a shock-responsive approach, including the need for

<sup>2</sup> See UNICEF's *Procedure on linking humanitarian and development programming* (PD/PROCEDURE/2019/001, 3 May 2019).

<sup>3</sup> UNICEF observes the IASC's definition of AAP as: "An active commitment to use power responsibly by taking account of, giving account to, and being held to account by the people humanitarian organizations seek to assist", and as putting "communities and people at the centre of humanitarian action and promoting respect for their fundamental human rights underpinned by the right to life with dignity, and the right to protection and security as set forth in international law". The IASC is the Inter-Agency Standing Committee; it works in countries where there is a humanitarian response, and coordinate the humanitarian response of UN and other bodies. See <https://interagencystandingcommittee.org/iasc/>.

social safety net in the country. At a global level, UNICEF, UNHCR, OCHA and WFP had between them decided to collaborate on humanitarian cash transfers (HCTs) in a manner that supported the primary role of governments and also engaged other actors providing cash assistance, such as the World Bank. They recognized the primary role of governments in supporting vulnerable populations and decided to build on existing government systems whenever possible.

At the time of the audit in June-July 2019, there was a mission in Afghanistan from UNICEF's Office of Emergency Programmes (EMOPS) to look at the integration of HCTs in both emergencies and regular programming. This mission was also analyzing opportunities for interagency collaboration, as Afghanistan had been selected as one of the pilot countries for humanitarian cash-based programming. An earlier visit, by UNICEF's Regional Director and the Directors of EMOPS and Programme Division in July 2018, had also highlighted strengthening existing social systems – such as community-based health workers and teachers – in some parts of the country that may be readier for this, such as the north and west (in the east and south, UNICEF was seen as still having a strong role in emergency service delivery).

However, the Afghanistan Country Office had not met with the donor involved in the setting up of the social safety net to assess opportunities for UNICEF's technical contribution, and its collaboration with the relevant Government department, which was the Ministry of Labour, Social Affairs, Martyrs and Disabled (MoLSAMD). The office stated that it was working with MoLSAMD in developing a social protection policy, with an accompanying social protection strategy at the central level. However, in discussions with the UNICEF zone-office staff and the provincial Government counterparts, the audit team did not note any local approaches to system strengthening.

**Agreed action 7 (medium priority):** The office agrees to:

- i. Document examples of humanitarian-development syntheses and use them to address any gaps in other areas where examples do not exist.
- ii. Further strengthen linkages between short-term and long-term programming wherever possible, and develop strategic actions for Accountability to Affected Population.
- iii. Meet with the relevant donor to understand the financial resources available to set up a social safety system, contribute technical expertise and assist engagement with the relevant Government counterpart.
- iv. Consider, where applicable, local approaches to social systems strengthening, in addition to the support to the Government at central level.

Responsible staff members: Chief, C4D; Chief, Field Coordination; and Deputy Representative (Programme)

Date by which action will be taken: i, ii and iv, January 2020; iii, the office reported that as of September 2019 this action had been implemented

## Programme results

UNICEF requires that the results planned for in a country programme should be evidence-based and reported against defined indicators, baselines and targets. The audit team reviewed the

extent to which the planned programme results were clear and measurable, with baselines, targets and indicators that were logically related.

The 2015-2019 Afghanistan country programme was aligned with UNICEF's strategic plan. Following its mid-term review of the programme, the office had revised its result structure to, among other things, promote syntheses between activities and prioritize fewer results; the objective was to have a smaller number of 'flagship' results instead.

The audit noted the following.

**RAM results reporting:** The RAM is the Results Assessment Module, an online portal to which offices upload their results so that they can be easily viewed across the organization. The audit team reviewed the data the office had uploaded to RAM. There was a need for a review of the indicators, baselines and targets and the primary sources. Some baselines and targets needed further elaboration, or had values that were not consistent with the status of the result updated in RAM.<sup>4</sup> In some cases, the result achievement was stated as 'on track' although for many of the indicators, data was either unavailable or suggested that the expected progress had not been achieved.

When a result is reported in RAM, the Means of Verification (MoV) for that result should also be given (the data source, for example, or the survey or study that demonstrates its status). The audit reviewed MoVs recorded in RAM and noted discrepancies. For example, an evaluation and a study that were cited as MoVs, although planned at the time the target was drawn up, had actually been dropped or postponed due to shortage of funds in 2018. (See also observation *Evaluation*.) Those results could not therefore have been supported by sufficient evidence.

The audit team noted that the programme sections used data from a number of sources to underpin the results reported in RAM. These included government sources, surveys and results of field-monitoring trips designed to assess achievement of results. The audit team noted that three programme sections – Health, WASH, and Education – used the field-monitoring reports as the primary sources of information in RAM. However, this did not always result in accurate reporting.

Thus, for the output indicator 'number of pregnant women or newborn infants who benefited from UNICEF health supplies in emergency-affected populations', the achievement was stated as 90,898. However, the periodic monitoring plans and field visit reports adding to the total were not readily available in the Health section. For the output indicator 'Number of School Management Shuras (SMS) in target districts promoting positive behaviour and attitudes towards girls', the achievement was stated as 5,000 with primary source of verification coming from field-monitoring reports. However, the audit team noted that the total of 5,000 was obtained from the report of an implementing partner who trained the shura members. While various staff members had visited the training sessions at different times, the tracking sheets or summaries of various programme monitoring trips were not available.

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<sup>4</sup> The status of a planned result is indicated as "achieved", "on-track", "constrained" etc.; this status should be defined by the indicators for that result and whether they show sufficient progress against the target.

Similarly, for the output indicator ‘Number of communities certified free of open defecation in the reporting year only as a result of UNICEF direct support’, the achievement was stated as 1,115. However, the field-monitoring action matrix did not readily explain how many field-visit reports had been used to reach the stated number. The office said that the staff made field-monitoring visits on a sample basis; however, the office’s monitoring guidance did not clarify how staff should use field-monitoring done on a sample basis as an MoV. (Programme monitoring in general is reviewed in a later observation.)

**Alignment of RAM results with workplans:** The office embedded the new results structure of the flagship results in the RAM. However, the office did not fully identify the 2019 workplan activities that were contributing to the flagship results.

**Agreed action 8 (medium priority):** The office agrees to:

- i. Review the indicators, baselines, targets and MoVs in RAM and revise them for appropriateness and completeness.
- ii. Identify the key activities in the workplans that contribute to the achievement of flagship results and review their progress at year-end review.
- iii. Define in more detail the office’s approach to using field-monitoring on a sample basis as a Means of Verification, i.e. primary source, for the status and rating of results in RAM.

Responsible staff members: Deputy Representative & Programme Chiefs and Planning & Monitoring Manager

Date by which action will be taken: December 2019

## Achievement of flagship results

During the 2017 mid-term review, the office had identified four flagship results for prioritization (Education, Nutrition, Polio and Health) and, with the help of a consultant, drafted the programme strategies related to these flagship results. These strategies included contributing outputs from the other programme sectors, such as Child Protection and WASH. The audit team also noted that the various programme activities that would contribute to the flagship results were not detailed in the workplans.

The audit team’s review of the implementation of activities related to one of the flagship results (Education: ‘All girls in school’) indicated the need for improved planning. For example, the plan to protect schools from attack was not sufficient and the office had not completed analyzing the lessons learnt from the *Study on the impact of violence and conflict on the education system* conducted by UNICEF and Ministry of Education. The audit team noted that there was also insufficient coverage in terms of provision of folic acid supplement and menstrual hygiene management facilities which limited the number of girls being brought back to school.

The audit also noted, from document reviews<sup>5</sup> and discussions with the Resident Coordinator and Government counterparts, that the office’s estimate of the number of children out of school (3.7

<sup>5</sup> See for example The Global Initiative on Out-of-School Children’s *Afghanistan Country Study* (2018). This does give the 3.7 million figure, but also quotes the Ministry of Education estimate in 2016 that there

million) might be understated. The Global Initiative on Out-of-School Children's *Afghanistan Country Study* recommended optimizing cross-sectoral approaches in education, health, child protection and other areas. However, the audit team's discussions with the staff of all the four zone offices, and a review of documents, suggested that there was also a general lack of intersectoral joint monitoring in the zone offices, due in part to a lack of clarity on roles and responsibilities.

**Agreed action 9 (medium priority):** The office agrees to finalize the strategies for the achievement of the four flagship results and improve planning and implementation of activities for the achievement of the results.

Responsible staff members: Programme Section Chiefs

Date by which action will be taken: March 2020

### Programme monitoring

The office had various mechanisms for monitoring the progress of country programme implementation. Like other UNICEF offices and some other UN agencies, it uses the Harmonized Approach to Cash Transfers (HACT) to obtain assurance on the use of cash transfers to partners; this is discussed later in this report. However, this observation focuses on field-monitoring visits and third-party monitoring.

**Field-monitoring visits:** The audit team reviewed the reports of a sample of field-monitoring visits. It also looked at other documentation (such as tracking sheets where available) and had discussions with the country-office staff including the heads of all zone offices and a sample of Government and NGO implementing partners. It noted that some programme sections were not preparing monitoring plans and, where such plans were prepared, the implementation status of the previous quarter's plans were not considered. As a result, there was insufficient assurance that the office was adequately planning its field-monitoring activities to promptly identify and address bottlenecks to the implementation of programme activities. There was no guidance on the planning of field-monitoring visits; the office stated that work-planning guidelines would be issued shortly for this purpose.

The audit team also noted potential differences in the level of assurance that could be obtained through field-monitoring visits, mainly due to differences across programme sections in the application of existing monitoring guidelines. For example, the Nutrition section had a comprehensive monitoring toolkit consisting of the field-monitoring checklist template, a follow-up action progress report showing status of implementation, and a monitoring dashboard. Other programme sections had not made the same provisions. The audit team also noted the following:

- Field-visit summary sheets were not being prepared showing the pending actions.
- The high-risk findings and actions from programme monitoring were not always reviewed to ensure their timely implementation.

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were over 4.5 million children out of school in that year. The *Study* can be found at <https://reliefweb.int/report/afghanistan/global-initiative-out-school-children-afghanistan-country-study>.

**Third-party monitors (TPMs):** The office used TPMs to assess programme implementation progress in areas that were inaccessible to staff. These were individuals hired and supervised by two contractors engaged by UNICEF through long-term arrangements (LTAs). There were several hundred TPMs.

In discussion with the audit team, the country-office staff underscored a number of issues related to the quality of work of TPMs. They complained about inefficiencies and delays in terminating contracts with an unsatisfactory TPM contractor. They told the audit team that at least one of the contractors was not proactively checking the quality of the TPMs' work they were responsible for supervising. Where the monitoring visits had taken place, the office felt that the level of analysis by TPMs of field-visit findings was too low to produce meaningful reports. For example, the TPMs did not supply data (for example, GPS-embedded photographs) to demonstrate whether planned activities had been implemented, or whether changes were needed. The audit team was told that TPMs were often paid very low wages and given limited means for travel. As a result, UNICEF needed to conduct more quality assurance and additional field verification to confirm whether monitoring in fact took place.

Despite the performance concerns, the LTAs had been extended from 9 December 2017 to 30 June 2018. The office's Contract Review Committee (CRC), which reviewed this extension, asked that a performance improvement plan be implemented for the unsatisfactory contractor. However, the performance did not improve and one of two LTAs that was continued in May 2018 was with the contractor that had had performance issues. The office stated that it had established the LTA with this contractor as a backup measure. In April 2019, when these LTAs expired, the request for further extension was rejected by the CRC and the office selected three new vendors.

No lessons learned were shared among the programme section and field-office staff to avoid similar pitfalls in the future. The office stated that the staff rotation has resulted in onboarding of new staff, and that organizational memory of the unsatisfactory TPM engagement had thus been lost.

**Agreed action 10 (medium priority):** The office agrees to:

- i. Issue and implement guidelines on field-monitoring planning and enforce the requirements for reporting, monitoring and follow-up of high-risk actions identified during field-monitoring visits.
- ii. Based on lessons learnt from the previous contracts for TPMs, implement a robust regime for the new contracts, to ensure the effectiveness of TPMs.

Responsible staff members: Chiefs of Field Offices and Planning & Monitoring Manager

Date by which action will be taken: October 2019

## Resource mobilization

Although a UNICEF office may receive some core funding (known as regular resources, or RR) from NYHQ, it is expected to raise the bulk of the resources for its country programme as other resources (OR), up to a ceiling that is approved by UNICEF's Executive Board at the beginning of a



country programme cycle. In the case of UNICEF Afghanistan, this ceiling was initially US\$ 474.1 million for the 2015-2019 country programme. Because the office was dealing with a humanitarian situation, it also needed to raise additional resources as emergency OR (ORE). This was approximately US\$ 38.8 million in 2018 and US\$ 50 million in 2019.

The audit team noted the following.

**Funding gaps:** Out of the Board-approved OR budget of US\$ 474.1 million for the 2015-2019 country programme, the office mobilized, as of 14 May 2019, US\$ 547 million – that is, 115 percent. Considering that 2019 is the last year of the country programme (before its upcoming extension), this appears satisfactory. However, this figure masks the funding gaps for some outcomes and outputs. The most affected programmes were Social Inclusion, Child Protection and Nutrition, with OR gaps of 89 percent (e.g. 11 percent funded), 78 percent and 71 percent respectively.

Because of insufficient funding, several planned programme results could not be achieved. For example, starting November 2019 over 100,000 children currently being treated for severe acute malnutrition will no longer have treatment services. Meanwhile, the office had had to use US\$ 253,000 from RR to temporarily fund some salaries of staff on OR-funded positions during the first half of 2019.

**Resource mobilization strategy:** In November 2017 the office had prepared a fundraising strategy that covered the 2018-2019 period. According to this strategy, actual funding targets and fundraising priority areas would be identified using the planning budget targets in the finalized workplans (which could lead to underestimates of funding requirements). Specific actions to address the underfunded areas would then be outlined in a resource mobilization workplan, which would be drawn up at the beginning of the year and reviewed quarterly. However, none of this had been done.

Further, the office had been expected to update its resource mobilization strategy at the end of 2018 to reflect the mid-term review of the country programme and the evolving aid environment, and in particular the possible reduction of funding from one of the largest donors. This review was now planned for the second half of 2019 because of changes in the staffing of the resource mobilization unit and temporary unavailability of the Resource Mobilization Specialist.

**Budget monitoring:** The office used key performance indicators and the office's dashboard in inSight<sup>6</sup> to monitor budget implementation during programme management team and CMT meetings. However, the audit team noted that the funding status of programme outcomes and outputs was monitored against planned budgets in the workplans, instead of against the Board-approved budget ceilings. This risked underestimating the fundraising gaps, as the funding requirement in the workplans was not always in line with the established programme budget.

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<sup>6</sup> inSight (sic) is the performance component in UNICEF's management system, VISION (Virtual Integrated System of Information). inSight streamlines programme and operations performance management, increases UNICEF staff access to priority performance information, and assists exchanges between country offices, regional offices and HQ divisions, as everyone sees the same data/information.

**Agreed action 11 (medium priority):** The office agrees to:

- i. Update the resource mobilization strategy, and operationalize it through workplans with clear fundraising targets, specific actions to address underfunded programme areas and a monitoring mechanism.
- ii. Include, in the office's key performance indicators, an indicator to measure the funding status of programme outputs against established budgets.

Responsible staff members: Resource Mobilization Manager

Date by which action will be taken: October 2019

## Donor reporting

During the period 2017–2019 (as of July 2019), the office had had a total of 165 donor reports fall due. The office should be commended that of these, only eight were sent late to the donors. The audit team selected for review five final donor reports and five progress reports pertaining to 10 distinct grants. It noted the following.

**Donor reporting schedule:** Although specified in the donor agreements, the due dates for certified annual and final financial statements for the 10 grants were not registered in VISION. In addition, the due dates of five donor reports were incorrectly registered in VISION. This could have led to a failure to submit the reports by due dates.

**Consistency with donor agreement:** Four donor reports presented a number of results and activities which were inconsistent with the donor agreements/proposals. For example, although one donor report stated an expenditure for an activity (assessment and project review) as planned and budgeted in the donor agreement, there was no indication in the final donor report as to whether it had been done. Another final donor report reported activities that had not been stipulated in the donor agreement/proposal. The audit team did not see evidence that the donors had agreed to this. The same report stated that the activities related to “girls not in school” were not implemented, but the total amount of the grant had been spent.

Nine donor reports lacked adequate comparisons of the reported results against the baselines and targets in the donor agreements.

**Consistency with preceding progress reports:** The achievements reported in four donor reports were inconsistent with the previous progress reports. For example, while the progress report in March 2016 stated that the activity related to provision of teaching and learning materials (US\$ 5.8 million) was completed, the final donor report in May 2017 indicated that the distribution of the materials was expected to be completed in May 2017 (or in June, in another section of the report). Similarly, a December 2018 progress donor report stated that “between January 2015 to end of 2018, 7,886 teachers benefitted from teacher training”. However, the preceding June 2018 progress report already showed in a table a total of 8,026 teachers – so one of these figures must have been inaccurate.

**Financial implementation:** Three donor reports did not include information on financial

implementation. Instead, only the total expenditures were reported. The donors would therefore be unable to check that their contributions were used in accordance with the agreed budgets. In addition, some expenditures incurred for the 10 grants were misclassified and/or unclear. For example, the transportation cost for vaccine was classified as travel.

While each charge should normally have a description of the transaction and a document reference number, several charges among the 10 grants lacked either but were simply referred to as “direct charges”. In one grant, the charges referred to as “direct charge” amounted to US\$ 1.8 million.

**Agreed action 12 (medium priority):** The office agrees to strengthen quality assurance over donor reports to ensure that:

- i. The reporting schedule for donor reports, including donor statements, is clearly registered against the donor agreement in VISION.
- ii. Reported results and achievements are consistent with the donor agreements.
- iii. The reported results and achievements are analyzed against baselines and targets in the donor agreement.
- iv. The reported results and achievements are consistent with those previously reported.
- v. Information on financial implementation is included in the donor reports.
- vi. The charges are appropriately classified and clearly described.

Responsible staff members: Resource Mobilization Manager

Date by which action will be taken: December 2019

## Advocacy

UNICEF’s Mission Statement includes advocacy on behalf of children. According to UNICEF’s Programme Policy and Procedure Manual (PPPM), a strong, purposeful and sustained advocacy plan, when properly prepared, will help raise awareness of children’s issues among policy-makers, and promote action in support of children’s rights.

The country programme document stipulated that policy advocacy and communications would support neutrality and impartiality in the provision of basic services and the maintenance of investment in development activities. Advocacy was also to raise the profile of children and promote protection of child rights through regular situation updates, engagement of UNICEF Goodwill Ambassadors and partnerships with popular Afghan sports bodies, media institutions and local-level influencers.

Following the Mid-Term Review which was carried out in 2017, the country programme focused on four flagship results, namely All Girls in School and Learning; Polio Eradication; Full Immunization; and Well-Nourished Children. For each of these flagship results, the office decided to strengthen advocacy in order to mobilize Government, influencers and other partners on the prioritization of resources, investments and inter-sectoral collaboration. However, the office said that one of the main lessons learned in 2018 had been that advocacy, and speaking out on behalf of and about children, would require dedicated investment and capacities both at national and sub-national levels.

Meanwhile, the office had updated its advocacy strategy for the period 2019-2021. There were six advocacy priorities for Education and five for Nutrition. For Education, plans were drawn up for only two priority areas; none had been drawn up for Nutrition. No advocacy strategy for the Immunization flagship result was prepared because of competing priorities, and the polio programme prepared a separate advocacy plan as part of its communication plan. There were also advocacy activities planned in the workplans that were not part of the overall office advocacy strategy.

The audit team reviewed those advocacy plans that were available and found that the influencers identified were not segregated by each targeted decision maker, and that there were no separate action plans prepared for each category of influencers with specific activities, assigned responsibilities, budget and timelines.

**Agreed action 13 (medium priority):** The office agrees to:

- i. Consolidate the overall advocacy strategy with an accountability framework, related action plans and an effective process for monitoring their implementation.
- ii. Ensure that advocacy plans are prepared in line with UNICEF organizational guidance, with influencers identified for each targeted decision maker, and action plans drawn up for each category of influencers, with clear assigned responsibilities, budget and timelines.

Responsible staff members: Chief, Planning, Section Chiefs and Chief, Communication & Advocacy  
Date by which action will be taken: i, February 2020; ii, the office reported that as of September 2019 this action had been implemented.

## Partner selection

During the period 2018-2019 up to June 2019, the office had signed 37 agreements with 32 NGOs, amounting to US\$ 34.7 million.

Responsibility for sourcing and selecting partners rests with the programme sections, and the process is controlled by the office's Partnership Review Committee (PRC). Offices can identify partners through either open or direct selection. With direct selection, the office will approach a single partner it thinks is appropriate, whereas open selection allows all potential partners to respond to an expression of interest. Direct selection is sometimes necessary due to time constraints, especially in an emergency, and open selection is not mandatory. However, it can increase efficiency gains and transparency. It also enables the office to prequalify partners and update a partner database, helping to identify potential partners in case of urgent need.

Of the 37 agreements with 32 NGOs, only five had been arranged through open selection. In most of the cases, the rationale for using direct selection was not given; when it was, the main reasons stated were the partner's experience in the programme sector and previous experience working with UNICEF. In June 2019, however, the office had issued a new Standard Operating Procedure (SOP) for partner selection and approval, with guidelines on how to identify and review potential partners. It was still too early at the time of the audit field visit for the impact of this SOP to be

evident.

**Agreed action 14 (medium priority):** The office agrees to strengthen controls over the selection process for NGO partners and ensure that direct selection is avoided where possible. Where it is unavoidable, the reasons for it will be adequately documented.

Responsible staff members: Programme Section Chiefs and Chiefs of Field Offices

Date by which action will be taken: The office reported that, as of September 2019, this action had been implemented.

## Harmonized Approach to Cash Transfers

For the period 2015-2019 (up to the time of the audit), the office had transferred US\$ 213 million to 306 implementing partners, of which 28 percent were NGOs (22 percent of the total cash transferred), and 72 percent were Government partners (78 percent of the cash transferred).

To provide reasonable assurance that funds disbursed to implementing partners are used for the intended purposes, UNICEF and some other UN agencies use the Harmonized Approach to Cash Transfers (HACT). This is a risk-based framework under which offices assess the risk attached to a particular partner and determine the most suitable type of cash transfer to be used with them, and the amount and frequency of assurance activities. The latter can include programmatic visits (which check that activities are in progress and report any constraints),<sup>7</sup> spot checks of the partner's financial management, and audits (by external firms).

The audit team noted the following.

**Micro-assessment plan:** Micro-assessments are undertaken for implementing partners who are receiving US\$ 100,000 or more in a calendar year from UNICEF. Micro-assessments are valid for five years, unless the office determines the need to reassess the implementing partner. If no micro-assessment has been done, the partner is assumed to be high-risk.

Out of the 307 partners, only 18 NGOs and 10 Government entities had been micro-assessed. The office had put in place mitigating measures for some of the partners with a high-risk rating (such as the use of direct payments for inputs by UNICEF). However, the operating context and the large number of partners receiving cash transfers, requires assessment of the partners' financial management capacities if they are receiving US\$ 100,000 or more in the calendar year. Not doing so could lead to an unnecessarily high level of assurance activities.

**Assurance activities follow-up:** The purpose of assurance activities is to determine whether the funds transferred to partners were used for the intended purposes and in accordance with the agreed workplan. Based on the findings of the assurance activities, the level of risk for each partner may change over time, potentially resulting in changes in the type of cash transfer and

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<sup>7</sup> Programmatic visits under the HACT framework are distinct from programme monitoring in general, in that they check only that the activities have taken place as planned and note any constraints to their implementation. Field-monitoring trips will look at the broader circumstances and performance of the activities, and whether they are fulfilling their intended purpose.

frequency of planned assurance activities.

In terms of numbers of assurance activities, the office had amply fulfilled its assurance plan. For programmatic visits and spot-checks, it had a 116 percent completion rate in 2018, and 66.7 percent so far in the current year as of June. This means that in 2018, the office did more than the minimum number required by HACT. There had been 44 scheduled audits. However, while these numbers are satisfactory, assurance activities are only effective if the office acts on their findings. The office had decided to follow up on the results of the scheduled audits for only seven Government partners and three NGOs. It did not follow up on the 34 remaining audits, alleging poor quality of the audit reports. The office had not renewed the contract of the service provider concerned.

The audit also noted that there was also no mechanism to consistently monitor and follow up on the findings from other financial assurance activities (such as spot checks and non-scheduled audits). The audit could not clearly identify the measures taken as a consequence of the outcome of the financial assurance activities and could not obtain sufficient evidence on the effectiveness of actions to ensure that funds transferred were used for the intended purposes.

**Assurance activities for CDC activities:** The Ministry of Rural Rehabilitation and Development (MRRD) received cash transfers totaling US\$ 13.1 million during the period 2018-2019, up to June 2019. MRRD directly funds Community Development Committees (CDCs) for the implementation of local development projects. The UNICEF office transfers the cash at the national level based on the bill of quantity (BOQ) submitted by MRRD, which is a cost estimate. However, the expenditures are made at the CDC level, and the downstream recipients of cash were not directly covered by the assurance activities. This was established by the audit team during a field visit. The audit team was told that the zone-office staff did not perform any spot checks at this level.

Spot-check reports, and the report of an external firm's audit in 2018 identified gaps in financial management in MRRD regarding documentation on the actual payments made by CDCs, a lack of adequate supporting documents, and expenditures authorized based only on the bills of quantity – which were not evidence of the expenditure actually incurred.

**Agreed action 15 (medium priority):** The office agrees to:

- i. Complete the micro-assessment plan for the remaining part of the current programme cycle and update it annually.
- ii. Strengthen the follow-up mechanism for actions or measures arising from assurance activities.
- iii. Ensure that assurance activities are based on supporting evidence of actual expenditures and not on planning documents only.

Responsible staff members: Planning & Monitoring Manager, Implementing Partnership Management Specialist and Chief of WASH

Date by which action will be taken: I and iii, by December 2019; ii, The office reported that as of September 2019 this action had been implemented.

## Risk management

Country offices should manage risks to the implementation of programmes in a structured and systematic manner. The organization's Enterprise Risk Management (ERM) policy requires that offices perform an Annual Risk Assessment (ARA) to identify and assess their risks in line with the risk structure developed by HQ. The assessment must include a mitigation plan for each significant risk, and that plan should address the root causes of the risk in question.

The Operations section had drafted the 2019 ARA and submitted it to the CMT<sup>8</sup> for review in April 2019. This risk assessment included the significant risks identified in office review processes in late 2018 and correlated with the key risks noted in the 2019 Annual Management Plan (AMP). It included 34 risks, of which one was rated very high; 14 were rated high and 19 were rated medium. Five risks were to be escalated – that is, referred higher up within UNICEF for action or advice. Action plans were drawn up for all the risks in line with a new organizational template.

The ARA process included inputs from programme sections and from field offices. However, there was no specific written procedure on how to prepare the ARA in a manner that maximized staff participation at different programme and operations sections and levels. Further, given the high rates of staff turnover and the rest-and-recuperation schedules, it was necessary to ensure that all new or absent staff were fully briefed on the risk register and outputs. There was no process for this, and the extent to which this briefing was done varied between different programme sections and field offices. This could represent a risk to ensuring a fully risk-informed programme approach.

**Conflict contingency plan:** The office rated the risk of conflict as very high on the Emergency Preparedness Portal (EPP); however, it had not posted the related contingency plan. The office stated that it was drafted and being reviewed, and that it would be approved soon. The predictions for conflict in the upcoming presidential elections in September 2019 added urgency to the need for the contingency plan and related preparedness plans from the programme sections. In the absence of the approved contingency plan, the roles and responsibilities of staff members in coordinating the emergency response were also not clear as of June 2019, since conflict was rated as very high risk for the first time in the last two years (the drought response was rated as high in the 2018 emergency risk analysis).

**Agreed action 16 (medium priority):** The office agrees to:

- i. Implement a documented procedure that reflects the internal arrangements for the preparation of an inclusive risk assessment.
- ii. Finalize the conflict contingency plan and the related programme section preparedness plans, and post them on the country office Emergency Preparedness Portal.

Responsible staff members: Deputy Representative - Operations and Chief of Field Operations  
Date by which action will be taken: i, December 2019; ii, the office has reported that as of September 2019 this action had been implemented.

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<sup>8</sup> An office's country management team (CMT) advises the Representative on the management of the country programme and on strategic programme and operations matters. It consists of senior staff from Programme and Operations sections, and staff representatives.

## Programme criticality

The Programme Criticality (PC) Framework is a component of the UN Security Management System (UNSMS). The PC Framework<sup>9</sup> is used to determine the levels of acceptable security risk for activities by UN personnel. Its purpose is to help programme staff balance the risks to those personnel against the criticality of the activities for the target population and the possibility of their implementation. The application of the Framework is mandatory where security risk levels are high. A key principle is that the criticality of an activity, and the security risk to UN personnel in its implementation, should be defined separately from each other; this permits objective assessment of both. Using the Framework, a UN team rates the criticality of programme outputs as PC1, PC2, PC3 or PC4. For example, if an activity is classified as PC2, it is regarded as sufficiently critical to justify its implementation in a situation that presents a high security risk to the UN staff concerned.

Accountability for implementation of the Framework in an integrated mission such as the United Nations Assistance Mission in Afghanistan (UNAMA) lies with the Special Representative of the Secretary-General (SRSG). The UN organizations in Afghanistan and UNAMA had jointly completed a PC assessment for Afghanistan. The assessment had rated outputs of UN agencies, funds and programmes according to their contribution to the UN strategic results and the likelihood of their implementation. At the time of the audit, the Programme Criticality Inter-Agency Team was updating the assessment, with participation from UNICEF.

The audit team noted the following.

**PC understanding:** In discussion with programme staff at the main office in Kabul and in one zone office, the audit team found the staff needed to better understand the programme criticality concept, the link with the security risk assessment and the implications regarding the type of activities that staff would be allowed to pursue, particularly in high security-risk areas.

**PC applied to field visits:** For field missions to outposts and to areas with high security risks, in addition to the travel authorization, a Mission Request Plan (MRP) form must be filled out by the requesting programme or operations section/zone office. The MRP should indicate the PC level of the mission and its purpose, and should be reviewed by Security staff before approval by the Representative. However, this procedure had not been formalized in the office's travel SOP, and there was no link between the MRP request and the travel authorization (TA) process, meaning that there was no control to ensure TAs were authorized only after verification of MRP approval.

There was no process in place to verify that the PC rating of the purpose of the mission was correct. As an example, the audit team reviewed an MRP for programmatic visits and spot-checks that rated these visits as PC2 – which they are not. Three staff members had been authorized to travel to high security-risk areas for this purpose.

**Agreed action 17 (medium priority):** The office agrees to:

- i. Ensure that staff have an adequate knowledge of programme criticality assessment and its use to determine acceptable security risks when planning field visits.

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<sup>9</sup> The Framework is available at <https://www.unsystem.org/content/programme-criticality-framework>.



- ii. Include the Mission Request Plans in the office's standard operating procedures for travel, which should link them with the TA process, and should require verification that the PC rating is accurately determined.

Responsible staff members: Chief Field Operations, Chiefs of Field Offices and Security Section

Date by which action will be taken: February 2020

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## Annex A: Methodology, and definition of priorities and conclusions

The audit team used a combination of methods, including interviews, document reviews and testing samples of transactions. It also visited UNICEF locations and supported programme activities. The audit compared actual controls, governance and risk management practices found in the office against UNICEF policies, procedures and contractual arrangements.

OIAI is firmly committed to working with clients and helping them to strengthen their internal controls, governance and risk management practices in the way that is most practical for them. With support from the relevant regional office, the country office reviews and comments upon a draft report before the departure of the audit team. The Representative and their staff then work with the audit team on agreed action plans to address the observations. These plans are presented in the report together with the observations they address. OIAI follows up on these actions and reports quarterly to management on the extent to which they have been implemented. When appropriate, OIAI may agree an action with, or address a recommendation to, an office other than the client's own (for example, a regional office or headquarters division).

The audit looks for areas where internal controls can be strengthened to reduce exposure to fraud or irregularities. It is not looking for fraud itself. This is consistent with normal auditing practices. However, UNICEF's auditors will consider any suspected fraud or mismanagement reported before or during an audit, and will ensure that the relevant bodies are informed. This may include asking the Investigations section to take action if appropriate.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. OIAI also followed the reporting standards of International Organization of Supreme Audit Institutions.

### Priorities attached to agreed actions

- |                |   |
|----------------|---|
| <b>High:</b>   | Action is considered imperative to ensure that the audited entity is not exposed to high risks. Failure to take action could result in major consequences and issues.   |
| <b>Medium:</b> | Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.   |
| <b>Low:</b>    | Action is considered desirable and should result in enhanced control or better value for money. Low-priority actions, if any, are agreed with the country-office management but are not included in the final report. |

## Conclusions

The conclusions presented in the Summary fall into one of four categories:

***[Unqualified (satisfactory) conclusion]***

Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the office were generally established and functioning during the period under audit.

***[Qualified conclusion, moderate]***

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over the office were generally established and functioning during the period under audit.

***[Qualified conclusion, strong]***

Based on the audit work performed, OIAI concluded that the controls and processes over the office needed improvement to be adequately established and functioning.

***[Adverse conclusion]***

Based on the audit work performed, OIAI concluded that the controls and processes over the office needed **significant** improvement to be adequately established and functioning.